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UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA,

v.

22 Cr. 673 (LAK)

RYAN SALAME,

Sentence

Defendant.

New York, N.Y.  
May 28, 2022  
11:00 a.m.

Before:

HON. LEWIS A. KAPLAN,

U.S. District Judge

APPEARANCES

DAMIAN WILLIAMS

United States Attorney for the  
Southern District of New York

BY: SAMUEL RAYMOND

NICOLAS ROOS

DANIELLE RENEE SASSOON

DANIELLE KUDLA

NATHAN MARTIN REHN

MAYER BROWN LLP

Attorneys for Defendant

BY: JASON LINDOR

GINA MARIE PARLOVECCHIO

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(Case called)

THE DEPUTY CLERK: Please put your appearances on the record.

MR. RAYMOND: Good morning, your Honor.

Sam Raymond, Nick Roos, Danielle Sassoon, Danielle Kudla, and Thane Rehn for the government.

THE COURT: Good morning.

THE DEPUTY CLERK: Defendant, are you ready?

MR. LINDER: Yes, we are.

Jason Linder and Gina Parlovecchio of Mayer Brown, on behalf of Ryan Salame.

THE COURT: Good morning.

MR. LINDER: Good morning, your Honor.

THE COURT: Have the defendant and the defense counsel had the presentence report for the necessary period and both read it?

MR. LINDER: Yes, your Honor.

THE COURT: Mr. Salame, do you confirm that you've read the presentence report?

THE DEFENDANT: Yes, your Honor.

THE COURT: Have you read all of it including the proposed conditions of supervision contained at the back end of the report?

THE DEFENDANT: Yes, your Honor.

THE COURT: Okay. Thank you.

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1 Now, before we get any further, into the main order of  
2 business, I want to try to understand better than I do the  
3 financial aspects of the proposed sentence. I'm looking at the  
4 preliminary order of forfeiture and I'm a little bit confused.  
5 It provides on page 2 for the defendant to make a payment to  
6 the United States of \$6 million. It provides for the entry of  
7 a money judgment in the amount, in round numbers, of a billion  
8 and a half dollars. It indicates at the bottom of page 2 and  
9 elsewhere that the defendant consents to the forfeiture of  
10 certain substitute assets, "to satisfy the outstanding  
11 forfeiture money judgment." And I'm not quite sure, because of  
12 some ambiguity here, how this all fits together.

13 Is the \$6 million intended to be a sum of money  
14 forfeited to the United States or not?

15 MR. RAYMOND: Yes, your Honor. Excuse me.

16 THE COURT: No. You were about to say something else.

17 MR. RAYMOND: Yes, your Honor. The government -- so  
18 the government's position is that under the forfeiture  
19 statutes, the money service business charge with which the  
20 defendant pled guilty to --

21 THE COURT: I'm sorry, the money...

22 MR. RAYMOND: Count Two, the 1,960.

23 THE COURT: Count Two.

24 MR. RAYMOND: ... requires a forfeiture money judgment  
25 of the total amount of money transmitted by the money

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1 transmitting business. The government is accepting a smaller  
2 payment in settlement of the outstanding money judgment in lieu  
3 of continuing to seek Mr. Salame's assets wherever they may be.

4 THE COURT: That's what I thought you probably meant.  
5 But the \$6 million is also part of the forfeiture, isn't it?

6 MR. RAYMOND: Yes, your Honor. Insofar as once the  
7 money is transferred, we will take that in lieu and settlement  
8 of the entirety of the money judgment. So it's not 1.5 plus  
9 6 -- 1.5 billion plus 6 million. The 6 million will be  
10 accepted in lieu of the 1.5 billion in judgment.

11 THE COURT: So that the judgment would be satisfied by  
12 the substitute assets and the \$6 million? Is that correct?

13 MR. RAYMOND: That's right, your Honor.

14 THE COURT: And the \$1,480.74 that you added to it.

15 MR. RAYMOND: Yes, your Honor. That's correct.

16 THE COURT: Now does the defense agree with that?

17 MR. LINDER: Yes, your Honor.

18 THE COURT: All right. Let me just take a moment to  
19 ensure that what I intend to do is consistent with that.

20 So the total amount of the forfeiture that the  
21 government wants me to enter in the judgment is  
22 \$1,561,187,600 -- \$187,623.74. That was not read already but  
23 you get the idea. And that would be satisfied by the  
24 \$6 million plus the substitute assets?

25 MR. RAYMOND: Yes, your Honor.

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1 THE COURT: Okay.

2 MR. RAYMOND: Well, and the \$1,400 that your Honor  
3 mentioned.

4 THE COURT: Well, that's included in the figure that I  
5 mangled.

6 MR. RAYMOND: Thank you, your Honor.

7 THE COURT: Now, is there an order of restitution?

8 MR. RAYMOND: No, your Honor. Instead, the  
9 defendant -- the government has confirmed that the defendant  
10 has made his restitution payment already to the victim -- or  
11 excuse me, to the non-victim charged --

12 THE COURT: To the bankruptcy estate.

13 MR. RAYMOND: That's right, your Honor.

14 THE COURT: But does that need to be in the judgment  
15 or not?

16 MR. RAYMOND: I think, your Honor, you can order  
17 restitution. We don't need a separate order of restitution,  
18 but the amount has actually already been satisfied.

19 THE COURT: Okay. It would have been helpful to have  
20 all of this clarified. That said, it's clear now.

21 Okay. Are there any material unresolved objections to  
22 the presentence report?

23 MR. LINDER: Your Honor, we had two minor factual  
24 corrections we had requested to the presentence investigation  
25 report. It doesn't seem that the government contests them.

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1 THE COURT: Are they material to anything?

2 MR. LINDER: They're not.

3 THE COURT: Okay. So that said, I adopt the  
4 presentence report and the guideline computation and range it  
5 contains. I have received a veritable avalanche of materials  
6 relating to the sentence. The highlights of which are the  
7 presentence report, the government's sentencing memorandum and  
8 the defendant's sentencing memorandum, and everything else that  
9 I've had is reflected on the docket sheet.

10 Is there anything else of which I ought to be aware?

11 MR. LINDER: No, your Honor.

12 MR. RAYMOND: Not from the government, your Honor.

13 THE COURT: Okay. I'll hear from defense counsel.

14 MR. LINDER: Thank you, your Honor.

15 I'd like to first --

16 THE COURT: Please use with the podium.

17 MR. LINDER: Of course.

18 Thank you, your Honor.

19 I'd like first to introduce some of the people who  
20 have come to support Ryan today. In the gallery are his  
21 mother, his aunt, his long-term partner, Michelle, Michelle's  
22 sister and brother-in-law, the founder of a nonprofit with whom  
23 Ryan has been working to create educational materials for  
24 incarcerated individuals, and other family, friends, and  
25 supporters.

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1           Your Honor, Ryan fully accepts responsibility for the  
2 crimes to which he has pleaded guilty. I would like to offer  
3 only a few points in response to the government's submission  
4 and to provide context for the type of person Ryan is, the  
5 nature of his crimes, and the limited need here for specific or  
6 general deterrence.

7           I'll start first, your Honor, with who Ryan is. Your  
8 Honor has received, as you noted, a veritable avalanche of  
9 materials which should include among it 45 letters from people,  
10 give or take, from people who have known Ryan in all phases of  
11 his life, from his family, to his high school friends and  
12 college friends, through work colleagues and more recent  
13 friends, through his neighbors and the family of long-term  
14 partner. I believe one letter even comes from a former  
15 employee he had to terminate but is still very supportive.

16           The through line in all of them is that Ryan is a  
17 warm, caring, committed, and sincere person, not one consumed  
18 with greed, as the government would have it. He is actively  
19 invested in making the lives of those around him better of his  
20 friends, his family, and his community. That commitment to  
21 community service and efforts to make the world a better place  
22 began years before he had any assets, belying the government's  
23 contention that he's engaged in philanthropy and service for  
24 aggrandizement or to be the hometown hero, as they call him.

25           He has also recognized the errors of his ways, has

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1 accepted responsibility, has already made substantial strides  
2 to making amendments, including, as the government noted,  
3 satisfying his restitution obligation and has rebuilt his life  
4 to be of service to his family and his community. In this new  
5 chapter, he is returning to the person he was before joining  
6 Alameda as reflected in all of those letters that your Honor  
7 has received.

8 Ryan's previously blameless past and his conduct since  
9 FTX collapsed in November of 2022 prove that his brief period  
10 of criminal conduct under the thrall of Bankman-Fried was the  
11 aberration and that when returned to society he has the gifts,  
12 the temperament, and the commitment to contribute positively to  
13 society.

14 I'll next address the nature and the seriousness of  
15 each crime to which Ryan has pleaded guilty. First, I'd like  
16 to make a few observations, if I may, about both crimes.  
17 Neither of these crimes, as I believe your Honor knows, and as  
18 the government has conceded, was part of the central fraud  
19 conspiracy for which Bankman-Fried has been convicted and now  
20 sentenced. Ryan was as unaware of that multibillion dollar  
21 fraud as everybody else in the world.

22 In both conspiracies to which Ryan pleaded guilty,  
23 four facts were true and the government does not seriously  
24 contest them: First, within the conspiracy, Ryan was the  
25 lowest person on the totem pole. Second, he did not design the



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1 conspiracies nor direct others in the conspiracies. Third,  
2 Ryan had limited visibility into what others in the  
3 conspiracies were doing. And, fourth, in neither conspiracy  
4 did Ryan seek to take anything of value from anyone else, nor  
5 did he lie to customers, lenders, or investors. In both, he  
6 was eager to be of use to those above him in the company and  
7 that eagerness led him to criminal conduct.

8 Turning now specifically to the campaign finance fraud  
9 conspiracy, your Honor, I would like to address a few points  
10 the government has made in its submission. First, while the  
11 government cites to a figure of \$100 million for the political  
12 contributions made by others in the conspiracy, Ryan's role in  
13 the Nishad's and Bankman-Fried's conspiracy -- contributions  
14 rather, were purely ministerial. He solely completed wire  
15 transfers determined and directed by others. He didn't have a  
16 voice in how those contributions were determined. The conduct  
17 at issue here, though large in dollar amount, is less grievous  
18 and poses a lesser threat to American democracy than other  
19 cases the government cites, other cases in this court, and  
20 other judges in this district have overseen.

21 As we noted, and the government does not contest,  
22 Bankman-Fried or Alameda could have made all or nearly all of  
23 the donations themselves lawfully. The goal of the crime, it  
24 seems, then was for Bankman-Fried to have influence across the  
25 political spectrum without his fingerprints being publicly

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1 visible. In other cases the government cites, the goal of the  
2 campaign finance violations was to inject foreign money into  
3 our elections or to evade contribution limits -- to evade  
4 contribution limits. Those factors are not present here.

5 Turning now to the unlicensed money transmitting  
6 charge, your Honor, I'll make only a few points in response to  
7 the government's submission. First, we understand from the  
8 government that the amount at issue is about \$600 billion, in  
9 currency that customers on-boarded while Ryan was still at  
10 Alameda and about 900 million that they off-boarded. We have  
11 no basis to dispute it. And that means that he helped to  
12 off-board substantially more than he on-boarded. Second,  
13 unlike most of the cases the government cites, and those are  
14 the cases that are present --

15 THE COURT: How does that help you?

16 MR. LINDER: It doesn't particularly help other than  
17 to the degree as -- I was about to say, Ryan was unaware of any  
18 criminal activity that Bankman-Fried and others were involved  
19 in, and so to the degree that his conduct unwittingly put  
20 victims more at risk --

21 THE COURT: Well, he was aware money was being  
22 on-boarded and off-boarded in a way that couldn't unlawfully be  
23 done in the United States.

24 MR. LINDER: Correct, your Honor. What I was trying  
25 to say is that he didn't --

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1 THE COURT: So it's a good thing that more came off  
2 illegally than went in illegally?

3 MR. LINDER: What I was about to say, your Honor, is  
4 that only -- the fact that more money was off-boarded meant  
5 that less was available for Bankman-Fried and others to steal  
6 later, that was my only point, not that it changes the  
7 illegality of Ryan's conduct.

8 And as I just was about to say, Ryan, unlike most of  
9 the other cases, whether they're unlicensed money transmitting  
10 or charges was unaware of any other illegality beyond the  
11 illegality of the money transmission itself.

12 I'll say only briefly, your Honor, about the relevant  
13 conduct, the multiple sets of it that the government refers  
14 to --

15 THE COURT: I'm sorry. The multiple...

16 MR. LINDER: The multiple sets of relevant conduct to  
17 which the government refers, we are bound by terms of the plea  
18 agreement not to contest those, the conduct, and we will not do  
19 so. I will just note for your Honor that the facts are  
20 substantially more nuanced than the government's presentation  
21 of them, in part because those sets of conduct, unlike the  
22 counts of conviction were not the subject of substantial  
23 dialogue and proffering and sharing of information between the  
24 parties.

25 As to general deterrence, your Honor, we stand largely

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1 on our submission, that the ruin and public unraveling Ryan has  
2 suffered in the last year and a half are ample deterrents from  
3 anyone considering similar conduct.

4 I'll also note that the government, if it was  
5 particularly interested, the government, in general deterrence  
6 as to the money transmitting conduct, could have waited for an  
7 answer from the Bahamas about whether it could have proceeded  
8 against Bankman-Fried, which would have been a substantially  
9 greater deterrence, in fact, given his greater prominence.

10 THE COURT: I'm sorry. Would you run through that  
11 again?

12 MR. LINDER: Sure. They claim that one of the reasons  
13 your Honor ought to sentence Ryan to a substantial term of  
14 incarceration is to deter other crypto businesses from engaging  
15 in unlicensed money transmitting. My only point, your Honor,  
16 it's a minor one, is that if that was really their intent, they  
17 could have also sought to -- that that charge was one of the  
18 charges that they voluntarily forewent in December of last year  
19 against Bankman-Fried, and they could have had waited to see if  
20 the Bahamas would have allowed them to proceed. That would  
21 have had a much greater deterrent effect given SBF's much  
22 greater prominence than Ryan. That was my point.

23 As to specific deterrence, and as I said at the  
24 outset, Ryan did not design or direct any of the conspiracies  
25 in which he engaged. He was, in both, merely a tool, the

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1 lowest person on the totem pole of the conspiracy. While his  
2 conduct showed a lapse in judgment, he did not prey on any  
3 individual. He has fully accepted responsibility for that  
4 conduct, taking steps to rehabilitate himself, including  
5 seeking treatment for substance abuse, and has already rebuilt  
6 a life that is consistent with the values he had before he  
7 worked for Alameda and FTX. He has acknowledged his mistakes,  
8 and as several of his friends observed in the letters of  
9 support, he has desire to make amends for what he has done and  
10 has taken steps towards growth.

11 The government attempts to paint Ryan's motivation of  
12 as one of greed and a desire for power and prominence, which  
13 may inevitably lead him to reoffend, but that is not the man  
14 that I think your Honor sees from the many letters of support  
15 that were submitted in this case. I would point the Court's  
16 attention to the letters from his high school and college  
17 friends who were wholly unaware, even after he came into  
18 substantial assets, that he was financially successful until  
19 this case become public.

20 I would also point out the theme that runs through the  
21 letters submitted to the Court: Ryan has been devoted to  
22 community service long before he was a wealthy man. His record  
23 of community service, which is detailed in those letters from  
24 college professors, friends, and family, goes back to his time  
25 as teenager and shows that it is rooted in his devotion to

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1 helping people and making the world a better place, not  
2 self-promotion or aggrandizement. In fact, one of the steps he  
3 has taken, and the government notes it, to take responsibility  
4 and right the ship is by endeavoring to assist the U.S. and  
5 Bahamian governments' investigation of Bankman-Fried and other  
6 FTX insiders. As we detailed in our submission, Ryan was the  
7 first person to blow the whistle to his company's regulator  
8 that Bahamian securities and authority. He voluntarily  
9 provided documents and information to the Southern District of  
10 New York U.S. Attorney's Office as well as other authorities  
11 here in the U.S. and provided information to the government for  
12 its use in prosecuting Bankman-Fried.

13           Given Ryan's devotion to his new chapter in life, his  
14 ongoing public service, the steps he's taken toward  
15 rehabilitation and making amends by attempting to cooperate  
16 with law enforcement authorities, he has shown that specific  
17 deterrence has been achieved and a lengthy sentence of  
18 incarceration is not required to achieve the goals of 3553(a).

19           I would just note, as the government has, that he has  
20 satisfied his restitution obligation. And, your Honor, I  
21 believe the Court -- the government filed last night a proposed  
22 order extending his deadline for forfeiture. He is very close  
23 to meeting it and needs a bit more time.

24           That's all I have to say, your Honor.

25           THE COURT: Okay. Thank you.

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1 Mr. Salame, if there's anything you'd like to say, I  
2 would be happy to hear it.

3 Go over to the lectern, please.

4 THE DEFENDANT: Would you like me to...

5 THE COURT: Go to the lectern, please.

6 THE DEFENDANT: Thank you, your Honor.

7 In addition to the personal statement I submitted in  
8 connection with my presentence investigation, I'd like to make  
9 a few comments here now.

10 First and most importantly, I accept full  
11 responsibility for my conduct. Although I truly believe I was  
12 helping FTX customers by on-boarding and off-boarding the  
13 currency and that making the political contributions involved  
14 in this case would bring about real good for people, I fully  
15 understand that the means by which I sought to achieve these  
16 goals was illegal.

17 There is no excuse for violating the law. And for  
18 that, I apologize to the Court and to the United States.

19 I would like to take a moment to apologize to FTX  
20 customers as well and to the public. I let you down. I failed  
21 to follow the licensing requirements that would have protected  
22 customers that on-boarding and off-boarding currency to FTX and  
23 I attacked the protections around our democracy when I made  
24 donations in my name with funds borrowed from Alameda Research.

25 And I also want to apologize to my family.

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1 Michelle, I've put you, your children, and our son in  
2 an unthinkably terrible position. And for that, I'm sorry.  
3 You're the strongest and most incredible woman I've ever met  
4 and I thank you for your support.

5 And, Mom, I can't imagine how this feels for you when  
6 all you wanted in life was stability and a close family.

7 And I'm deeply sorry to so many others I don't have  
8 time to mention here who trusted me and my actions at these  
9 companies.

10 Your Honor, I regret a lot of choices at this point in  
11 my life, which is something given that I am only 30. But I did  
12 make some positive choices, which I hope you'll consider.  
13 Throughout my life and in this conduct, I cared about the  
14 well-being of others, including FTX's customers. I tried to do  
15 the right thing by alerting authorities immediately about --  
16 upon finding about the theft of customer funds and I provided  
17 the DOJ everything I had to help them to pursue justice,  
18 including some documents that hurt me personally and helped me  
19 bring me for this Court.

20 The past year and a half has allowed me to reflect on  
21 my actions and begin on my path towards redemption. I accept  
22 what's next and I look forward to the positive contributions I  
23 can make on the other side of this. One thing I can assure  
24 you, your Honor, is that I will never do anything to put  
25 myself, my family, my employees, or the government in this



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1 position again.

2 Thank you for the time and opportunity to speak, your  
3 Honor.

4 THE COURT: Thank you.

5 Mr. Raymond?

6 MR. RAYMOND: Thank you, your Honor.

7 Your Honor, the government won't belabor points which  
8 we made in our sentencing submission.

9 As we wrote there, the government requests the Court  
10 impose a meaningful period of incarceration within a range of  
11 five to seven years, which is sufficient but not greater than  
12 necessary for this defendant under the 3553(a) factors.

13 Just a few factors to highlight, your Honor. First,  
14 the seriousness of the offenses here, the defendant's election  
15 crimes undermined regular voters' faith in the political  
16 system. Just on two points, to respond to assertions made by  
17 defense counsel, some of the contributions made by Mr. Salame  
18 did, in fact, evade contribution limits when he made donations  
19 that Mr. Bankman-Fried to candidates that Mr. Bankman-Fried had  
20 already donated to, and some of the contributions could not be  
21 made a corporation, in instance, to individual campaigns.  
22 Regular voters' faith in their democracy and in their election  
23 system is a precious commodity. Instead of following the rules  
24 that govern every voter, the defendant and his coconspirators  
25 took secretive shortcuts to get around those rules. The

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1 defendant did so willfully. He knew what the rules were. And  
2 he did so to support the political interests of FTX. There was  
3 some talk about greed and whether Mr. Salame was motivated by  
4 greed. I think it's clear, your Honor, that as FTX became more  
5 successful that would mean the defendant was making more money.

6 The unlicensed money service charges in Count Two is  
7 also a serious can offense, your Honor. Operating an  
8 unlicensed money services business the way the defendant did  
9 undercut regulations of the financial system which ensures that  
10 money transmitters engage in appropriate and money laundering  
11 controls and deter potential suspicious activity. The  
12 defendant and his coconspirators did so through a series of  
13 false statements to U.S. banks. And, again, this served to  
14 line his own pockets. As FTX was more successful, it was able  
15 to grow larger and quicker by offering customers the ability to  
16 transact, which was a competitive advantage against other  
17 crypto platforms.

18 And these are not merely technical violations. As I  
19 mentioned, the defendant's election offense was willful and the  
20 campaign finances rules, as the moneys service rules, are there  
21 for reasons, they're there to enhance transparency in our  
22 elections and in our financial system.

23 Now, your Honor, the government does recognize that  
24 there are mitigating factors here, as we pointed out,  
25 particularly looking at comparer cases in similar contexts, so

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1 money services charges and election offenses as well as the  
2 defendant's attempted, if modest, cooperation.

3 So those are the reasons, your Honor, the government  
4 is seeking a sentence within the range of five to seven years.

5 Your Honor, the last point I'll make is about general  
6 deterrence. The Court should send a message here. As we cite,  
7 crypto concurrency companies have been inveterate violators of  
8 the money transmission rules. Our sentencing submission cites  
9 cases going back more than ten years in which digital assets  
10 companies have faced serious sanctions for transmitting money  
11 for nearly the same conduct as the defendant, FTX and Alameda.  
12 The Court can send a message, a critical warning to the crypto  
13 currency industry.

14 There is also intense focus on this case and  
15 specifically the campaign finance crimes which the defendant  
16 committed. The Court's sentence should be to crafted to send a  
17 message to wealthy individuals and companies about the  
18 substantial consequences of perverting our electoral system and  
19 its rules.

20 And, your Honor, this is also a classic case, as we  
21 mentioned in our submission, indicating how challenging it can  
22 be for investigators to unwind white collar crimes.

23 The defendant and Mr. Bankman-Fried committed these  
24 crimes with lies and deceit going back to 2020. It was only  
25 after FTX's bankruptcy that the government was able to put the

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1 pieces together identify the criminal conduct.

2 So, for those reasons, your Honor, in light of the  
3 other factors pursuant to 18, U.S.C., 3553(a), the government  
4 respectfully requests the Court imposes a sentence of five to  
5 seven years' imprisonment.

6 THE COURT: Thank you.

7 I endorse the key points that the government has made.  
8 This was a circumvention of financial safeguards inherent in  
9 federal registration requirements for money transferring  
10 business. Those are important safeguards. Violation of them,  
11 at the scale that went on here and that goes on elsewhere,  
12 jeopardizes the stability of our economy and our financial  
13 system.

14 I'm certainly not going to be first person to observe  
15 that the state of our political life in this country is in  
16 jeopardy, has been in jeopardy for quite a number of years.  
17 One of the reasons, but only one, is that the amount of money  
18 sloshing around the political system is almost unimaginable. I  
19 don't get to decide anew what the Supreme Court did in *Citizens*  
20 *United*, and whether that was right or wrong is not for me to  
21 say, but it certainly has not helped, and efforts like that  
22 undertaken by Mr. Salame and Bankman-Fried only make matters  
23 worse. It is not conceivable to me, and I don't think it's  
24 disputed, that Mr. Salame knew that this straw donor operation  
25 in which he engaged was absolutely illegal. He went along with

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1 it. He was a major figure in it, if not the person who  
2 conceived it. And he knowingly and willfully assisted in  
3 destroying the limited transparency that the laws of the United  
4 States provide in this area.

5 To me, nothing demonstrates that more clearly than the  
6 text message that Mr. Salame sent on November the 2nd, 2021, to  
7 a confidant in which he wrote, hey, we should have a bit of a  
8 chat around something because it may end up public and feel  
9 like it may put a bit of a strain on our relationship, so  
10 easier just to say it. Sam wants to donate to both Democratic  
11 and Republican candidates in the U.S. because the world's  
12 frankly lost its mind. If you donate to a Democrat, no  
13 Republicans will speak to you, and if you donate to a  
14 Republican, than no Democrats will speak to you. We won't be  
15 flipping -- I think the word's supposed to be, any red seats  
16 blue or blue seats red, but we will be heavily putting money to  
17 weed out anti-crypto Dems for pro-crypto Dems and anti-crypto  
18 Republicans for pro-crypto Republicans.

19 He knew precisely what he was doing. He knew why it  
20 was being done. He knew it was illegal. And the whole idea  
21 was to hide it from the world. Astonishing.

22 Now, I've long operated on the premise that nobody in  
23 this life is a saint or a sinner unalloyed, in either case. I  
24 hold to that today.

25 Mr. Salame, you've done some good things in your life.

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1 You've been a good person in many respects. I acknowledge it.  
2 I respect it. And hopefully, you'll get back on the straight  
3 and narrow. But there are other elements to what you did here  
4 too, and greed was one of them. The scheme that I just  
5 referred to, of course, would have had, had it succeeded, the  
6 collateral benefit of making you even wealthier. But I don't  
7 have to look that far for greed. As the government has made  
8 clear, when it became apparent that FTX was on the brink of  
9 bankruptcy and was at the least a billion dollars in the hole,  
10 you pulled \$5 million in cryptocurrency from an account you  
11 controlled at FTX into your own crypto wallet. You tried to  
12 withdraw tens of millions more that day, but the withdrawals  
13 failed, the further withdrawals. And you spent millions from  
14 the more than \$5 million you got out just before the collapse  
15 came on hiring a public relations firm, paying off personal  
16 obligations, and the like. It was me first, I'm getting in the  
17 life boat first, the heck with all those customers.

18 I acknowledge that you went to Ms. Rolle at the  
19 Bahamas Security Commission, but I think that was part of your  
20 leap into the lifeboats. Your job in the Bahamas, as FTX's  
21 representative, was to get close to the Bahamian government.  
22 We saw at the trial with Mr. Bankman-Fried some evidence at  
23 least that he tried to steer this whole scandal into the hands  
24 of the Bahamian government. Why? Because he thought that the  
25 relationships that had been built up would result in a better

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1 outcome for FTX and the rest of you. I don't think you were  
2 blind to that. I think that's one of the reasons you went  
3 there instead of to U.S. authorities, and that was part of your  
4 life-boat plan.

5 So while I do acknowledge all of the good things you  
6 have done in your life, when the crisis came, those  
7 let's-help-others instincts, if not vanished, were  
8 subordinated.

9 I think also that there is in this case a very  
10 substantial need for general deterrence. These kinds of cases,  
11 as Mr. Raymond said, are very hard to detect on the fly. They  
12 are very hard to unravel even after everything, pardon my  
13 language, everything goes to hell, as it did here, and people  
14 have to understand that attempted, really, corruption of our  
15 political system and that hiding money transfers, especially at  
16 this level from the limited regulation that exists, are very  
17 dangerous to this country, and people need to be deterred.  
18 They need to get a message from what we are doing today. And I  
19 certainly hope to be sending it. And that's a perfectly  
20 appropriate consideration on my part. It's mandated on the  
21 Sentencing Reform Act.

22 So please rise for the imposition of sentence,  
23 Mr. Salame, which I'll say at the outset --

24 Everybody else can remain seated.

25 And the sentence I'm about to impose, although I'm

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1 sure it is not going to make Mr. Salame happy, is substantially  
2 below the top of the guideline range because I've taken into  
3 account some of the factors that defense counsel have pointed  
4 to in support of a variance.

5 It is the judgment of this Court, Mr. Salame, that you  
6 be committed to the custody of the Attorney General of the  
7 United States or his designee for a term of imprisonment of  
8 60 months on Count One and 60 months on Count Two. The term on  
9 Count Two shall run concurrently with the last 30 months on  
10 Count One and consecutively to the remainder on Count One for  
11 an aggregate term of imprisonment of 90 months; that you'll  
12 thereafter serve a term a supervised release of three years;  
13 and that you pay the mandatory special assessment of \$200.

14 It is further adjudged that you forfeit to the United  
15 States the sum of \$1,561,187,623.74, or as more fully set forth  
16 in the consent preliminary order of forfeiture as to substitute  
17 assets/money judgment entered September 7, 2023, as modified by  
18 the partial vacatur of the preliminary order of forfeiture  
19 dated today; that you pay a fine of \$250,000 on each count for  
20 an aggregate fine of \$500,000; and that you pay restitution in  
21 the amount of \$5,593,177.91, to the bankruptcy estate of FTX  
22 Trading Limited, that's the U.S. Bankruptcy Estate, and the  
23 government has acknowledged that the restitution has been paid  
24 as of this time.

25 The term of supervised release shall be subject to the



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1 mandatory, the standard, and the special conditions of  
2 supervision set forth at pages 41 through 42 of the presentence  
3 report, which you have said you have read.

4 The substance abuse condition is appropriate due to  
5 your history of substance abuse.

6 The financial special conditions are appropriate to  
7 the financial nature of the offenses of conviction and the  
8 substantial financial obligations imposed by this judgment.

9 I find on the basis of the financial statement  
10 included in the presentence report that you are well able to  
11 pay the fine that I have imposed.

12 I advise you that, to whatever extent you haven't  
13 waived it, you have the right to appeal from the judgment  
14 imposing this sentence. If you wish to appeal, you must file a  
15 written notice of appeal with the clerk of the district court  
16 no later than 14 days after the date on which it is entered,  
17 which could be as soon as today. If you wish to appeal and you  
18 can't afford to pay the fees necessary to do so, you have the  
19 right to apply for permission to appeal as a poor person. If  
20 such an application were granted, you would be permitted to  
21 appeal without payment of the fees. And if you couldn't afford  
22 a lawyer, a lawyer would be appointed for you.

23 The mandatory drug testing condition is suspended  
24 because the conditions of supervised release contemplate drug  
25 testing.

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1 I recommend that you be enrolled in the RDAP program.

2 I recommended that you be designated to a facility as  
3 close to Washington D.C. as reasonably possible consistent with  
4 your security classification.

5 And you may be seated.

6 Now, are there any other findings that anyone regards  
7 as necessary for the purpose of this sentence? Mr. Raymond?

8 MR. RAYMOND: Not from the government, your Honor.

9 THE COURT: Counsel?

10 MR. LINDER: No, your Honor.

11 THE COURT: Does either side wish me to read the  
12 special conditions of supervision out *in haec verba* or is it  
13 adequately covered in your view? Mr. Raymond?

14 MR. RAYMOND: It's adequately covered, your Honor.

15 THE COURT: Mr. Linder?

16 MR. LINDER: Same, your Honor.

17 THE COURT: Okay. Is there anything else anyone  
18 wishes to raise?

19 MR. LINDER: Yes, your Honor. In addition to the  
20 recommendations you have made, we would ask for a  
21 self-surrender date of August 29<sup>th</sup>.

22 THE COURT: Any objection?

23 MR. RAYMOND: No, your Honor.

24 THE COURT: Okay. That's granted.

25 I continue you on bail, Mr. Salame, pending your

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1 surrender to the Bureau of Prisons on the date and by the time  
2 designated by and for the commencement of your service of your  
3 sentence. That date shall not be earlier than  
4 August 29, 2024.

5 Your compliance with the obligation of surrender is a  
6 condition of your bail. All of the bail conditions that have  
7 been in effect until now remain in effect. Any failure to  
8 comply with any of those conditions could result in your  
9 revocation of bail and your immediate incarceration. They  
10 could also result in your being charged with escape, which  
11 would be a separate and independent offense that could lead to  
12 a further term of imprisonment.

13 Anything further?

14 MR. LINDER: Your Honor, in addition to requesting a  
15 designation to a facility near Washington D.C., would your  
16 Honor consider specifically requesting FCI Cumberland in  
17 Maryland? It's the closest to his house.

18 THE COURT: I'll leave that to the Bureau of Prisons.  
19 I don't have any objection to it, to be clear.

20 And also, because I understand that members of the  
21 family are here and I don't want this to seem any worse from  
22 their point of view than it is, in the absence of any  
23 unforeseen circumstances such as disciplinary problems during  
24 the term of incarceration, the defendant, at the discretion of  
25 the Bureau of Prisons, would be entitled to up to 54 days of

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1 what is commonly known as good time per year of incarceration,  
2 which could reduce the amount of time served by as much as  
3 15 percent. If he is selected for the RDAP program and  
4 successfully completes it, he could earn a substantial  
5 additional period off the time actually served, as I understand  
6 it, up to year. And under, I believe it's The First Step Act  
7 participation in programs designed to limit recidivism could  
8 lead to a further reduction and the time actually served, as I  
9 understand it, of up to a year.

10 There's no guarantee to any of that. None of that is  
11 up to me, but I thought I would share with you my understanding  
12 that seven and a half years may seem like more -- may turn out  
13 to be more like four and a half years, and there's the  
14 possibility for part of that being served in a halfway house.  
15 So, that's just in the interest of everybody understanding the  
16 practical realities of federal time as opposed to state time.  
17 That what I understand.

18 Anything else, folks?

19 MR. RAYMOND: No. Thank you, your Honor.

20 MR. LINDER: No, your Honor.

21 THE COURT: Okay. Thanks to counsel on both sides for  
22 helpful presentations.

23 o0o